STANDARD FORM NO. 64

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TO : Chief, D/S DATE: 23 March 1953

Atten: 25X1A9a Chief, S/OG

SUBJECT: Suggested Areas of Responsibility for S/OG

- 1. In accordance with your general request of approximately ten days ago, the following research areas of responsibility are suggested for S/OG in any future programs. Since work on all of these areas may not be possible in 1953, the suggestions represent more or less a long range program. These suggestions also follow as part two of the previous memorandum of 11 March on "Random Thoughts on S/OG Studies".
- 2. On the basis of S/OG's experience during the past nine months, the fulfillment of the mission assigned to the Branch seems to include the following three major areas of exploitation of intelligence.
  - a. Analysis of the current changes in the economic organizations and their significance in the Soviet Union and in those satellites which might provide intelligence on Soviet intentions or Soviet capabilities;
  - b. Development of intelligence in order to provide better field collection base;
  - c. Examination of the existence and the degree of implementation of an economic mobilization plan of the USSR.
- 3. The first of the foregoing areas of investigation is covered fairly adequately by S/OG's 1953 program. The significant areas that are not covered at present include Poland and Czechoslovakia. It is assumed that the remaining East European satellites, such as Rumania, Hungary and Bulgaria, do not have the same significance as Poland and Czechoslovakia.
- 4. The second area of investigation is represented by the three RQM/OIS requests, one of which has been satisfied by report IP-326. The second request dated 5 February 1953 will be partially covered by report ORR 414. However, no provisions have been made for handling the three requests dealing with the Soviet Zone of Austria. These RQM/OIS requests in my opinion, are sufficiently important to merit a special effort to include them in S/OG's program. The reasons for giving these requests special attention include (a) the information developed provides a better field collection base to FI for their operations, resulting in general improvement in CIA intelligence; (b) the research effort necessary to uncover the information encourages better liaison within CIA, thereby tending to break down some of the barriers

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which exist in the exchange of information; (c) the fulfillment of FI's needs will circumvent any probable attempt to establish an organizational research staff within FI in order to give support to their field collection effort. The mission of such a new branch would represent a duplication of S/OG's present mission.

5. The third area of investigation has been explored only in a rather superficial manner at present. Only preliminary efforts have been made because of the overriding priority of the first two areas of investigation. These preliminary efforts were limited largely to personal contacts with others in the Washington area who might be conversant with the problem and whose opinions and knowledge in this field might be useful in setting the stage and in defining the scope of a definitive project. ORR Project 103-51, which has just become available, represents one effort in what 25X1A9a might be termed the peripheral areas of the problem. paper of 13 March on "Mergers in the Machinery Industry of the USSR" also touches on the fringes of this problem. Incidentally, 25X1A9a the validity of conclusions should be questioned because of the rather tenuous assumptions on which they are based. For example, some evidence appears to exist indicating that a Soviet mobilization plan has been developed. Such a plan, however, does not seem to take the form suggested by 25X1A9a Consequently, as part of the third area of investigation, S/OG should explore the nature of any existing Soviet mobilization plan and should also attempt to delineate its provisions. It is hoped that some progress will be made in this direction in the development of the necessary research for Project ORR 41.4.

6. Thus, it seems highly desirable at the present time that S/OG complete its 1953 program as rapidly as possible, that every effort be made to satisfy RQM/OIS requirements, and that, as soon as possible, some thought be given to economic mobilization in the USSR, its form and purpose, its organizational structure, and its implications on Soviet bloc capabilities.

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ORR/S/OG:CBL:egg (dictated 23 Mar 53)